



Review of Essential Skills in Demand Lists

Preliminary Indicator Evidence Report (PIER) June 2013

Aeroplane Pilot (231111)

Purpose:

The purpose of the Preliminary Indicator Evidence Report (PIER) is to collate relevant statistical data about each occupation selected to be part of the review of the Essential Skills in Demand (ESID) lists; and to provide a **preliminary** view on the status of the occupation based on that data.

PIERs are prepared by the Ministry of Business, Innovation and Employment (the Ministry). Each report is based on an assessment of the occupation against three key indicators:

- **skill level** – does the occupation meet skill level requirements?
- **scale** - is the occupation of sufficient scale, in terms of employment or work visa application numbers, to warrant a listing?
- **shortage** – how strong is the evidence that there is a shortage?

The PIER provides a summary of the evidence considered by the Ministry under each of these indicators. Further information on the measures and data sources is available on our website www.immigration.govt.nz.

Our preliminary view of the status of the occupation is based on an assessment of the combination of measures, rather than any single factor – the measures are not weighted.

In the interests of transparency we have tried to be as explicit as possible about the thresholds that will be applied to each measure. However, these are ultimately a matter of judgement and the Ministry will consider the merits of each occupation under review on a case by case basis.

What happens next?

You are invited to make a submission in response to this report. The submission process provides an opportunity for industry groups and others to provide additional information and evidence about the nature and extent of skill shortages in their area. You may also present an alternative view on the status of an occupation in relation to the ESID lists. For further information on the submission process please visit our website www.immigration.govt.nz. Submissions for the current review must be provided to the Ministry by **26 July 2013**.

Where no submissions are received on an occupation, the Ministry may not assess the status of the occupation on the ESID lists. **Groups that have successfully submitted an Occupation Nomination Form in relation to an occupation must also complete a full submission.**

In assessing the merit of submissions, the Ministry will consult with employers, trade unions and other employee and industry bodies, as well as relevant government agencies such as the Ministry of Social Development and the New Zealand Qualifications Authority.

Final decisions on the status of occupations under review are made by the Ministry (in the case of the Immediate Skill Shortages List); and by the Minister of Immigration (in the case of the Long Term Skill Shortage List).

The results of this review will be published on the Ministry's website about December 2013.

ANZSCO occupation title: Aeroplane Pilot

ANZSCO code: 231111

Current ESID List status: Not on a list

Rationale for review: Nominated by Price Waterhouse Coopers on behalf of Air New Zealand to add to the ISSL for all regions.

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

PRELIMINARY VIEW

- | | | |
|---|---|--|
| <input type="radio"/> In shortage | <input type="radio"/> Not in shortage | <input checked="" type="radio"/> No view |
| <input type="checkbox"/> Add to an ESID list | <input type="checkbox"/> Do not add to an ESID list | |
| <input type="checkbox"/> Retain on an ESID list | <input type="checkbox"/> Remove from an ESID list | |

Evidence is mixed and suggests a future rather than a current shortage. This suggests a need to consider training programmes and succession planning.

Please note: if you see the rating "Inconclusive information for reviewed occupation" this means that our statistical information is not available at a level specific enough for the particular level of shortage within an occupation. This is generally where the shortage within the occupation is for people who are very experienced or who have specialist qualifications within an occupation or where information is only available at a very broad level and is less useful as an indicator.

We are particularly interested in robust information held by industry that will supplement the information contained in this report relevant to the occupation as defined in this review.

SUMMARY OF EVIDENCE

1) Skill level

The ESID lists are designed to cater for skilled occupations. The ANZSCO skill level classification and salary information are used as indicators of skill level. In general terms, only occupations assessed by ANZSCO as levels 1-3 are considered 'highly skilled' for ESID purposes. In addition, a base salary of at least \$45,000 is used as a proxy indicator for skill level.

Exceptions to these thresholds may be made on a case by case basis.

ANZSCO skill level classification: 1

Average annual base salary:¹ \$84,900

Salary range: \$47,600 to \$100,000

Qualification and experience requirements:²

A NZCAA Commercial Pilots Licence

- Multi Engine Instrument Rating
- A basic gas turbine endorsement
- 500 hours (part 121.557 of the Civil Aviation Act) total flying hours including:
 - 100 in Air Operations
 - 25 hours of night flying

Other relevant factors: N/A

Meets skill level requirements?

- Yes
- No
- Inconclusive information for reviewed occupation

2) Scale

The ESID lists are designed to facilitate the entry of skilled workers into occupations that are likely to generate a reasonable number of Essential Skills visa applications each year. Small-scale occupations are encouraged to make use of alternative work visa avenues.

Large-scale occupations, employing approximately 2,000 or more workers will meet the 'scale' test. However, where occupation numbers are lower than this, there must be evidence of a reasonable number of Essential Skills visa approvals (approximately 50 or more) in the last 12 months.

Occupation size³: *Estimated total number employed in the occupation is 2,984.*

Essential Skills work visa approvals:

Number of Essential Skills work visa approvals in the past 12 months (1 May 2012 to 30 Apr 2013) is 4.

Meets scale requirements?

- Yes
- No
- Inconclusive information for reviewed occupation

¹ Please note that data on salaries is derived from the last Census (2006). Up-to-date data on these factors is welcomed through the submission process.

² Qualification and experience requirements are drawn from existing requirements for the Lists or from the Occupation Nomination Form.

³ Occupation size is derived from the Detailed Employment Estimates model in December 2012.

Other relevant factors:

3) Shortage

The ESID lists are designed to facilitate the entry of skilled workers to New Zealand to fill skill shortages, and to reduce costs and time delays for employers seeking staff. At the same time, it is important to ensure that appropriately skilled New Zealanders who are available to work are not displaced.

Five indicators of shortage are used: estimated job seekers; *Jobs Online* index (measure of vacancies); visa approvals; employment growth; and the likelihood of the shortage being long term.

a. Estimated suitable jobseekers available

National data on people available to work or train suggests that there are **8** suitable jobseekers available to fill vacancies within this occupation. (Based on the Ministry of Social Development data as at 26 Apr 2013).

Evidence that few suitable jobseekers are available:

- Strong evidence
- Moderate evidence
- Weak evidence
- Inconclusive information for reviewed occupation

Additional information/comment:

b. Jobs Online index

Data

The Ministry of Business, Innovation and Employment collates information on recent job vacancy advertisements from *Jobs Online index*.

In the year ending April 2013, **S** online advertisements were placed for vacancies in the occupation Aeroplane Pilot.

S = suppressed due to small number of advertisements for this occupation

Please note: that more than one advertisement may be placed for each vacancy and that advertisements relate to all Aeroplane Pilot positions not just those holding the qualification and experience requirements specified for the reviewed occupation.

Evidence of demand:

- Strong evidence
- Moderate evidence
- Weak evidence
- Inconclusive information for reviewed occupation

Additional information/comment: The jobs online index may not be a good indicator for this occupation when employers may use specialist advertisement channels.

c. Visa approvals

Data

The Ministry of Business, Innovation and Employment collects information on visa approvals. Changes in the numbers of visas approved for an occupation can indicate an occupational labour shortage.

- i) In the period *1 May 2011 to 30 Apr 2012*:
2 Essential Skills work visas and **1 Skilled Migrant Category resident visas** were approved for Aeroplane Pilot.
- ii) In the period *1 May 2012 to 30 Apr 2013*:
4 Essential Skills work visas and **0 Skilled Migrant Category resident visas** were approved for Aeroplane Pilot.
- iii) This represents a **100%** change between years for Essential Skills work visas and a **-100%** change for Skilled Migrant Category resident visas.
- iv) The number of current year migrants (Essential Skills work visa and Skilled Migrant Category resident visa) as a % of total occupation size is **0%**.

Evidence of visa approvals:

- Strong evidence
- Moderate evidence
- Weak evidence
- Inconclusive information for reviewed occupation

Additional information/comment: Both Essential Skills work visa and Skill Migrant Category resident visa approvals were very small.

d. Employment growth

Data

The Ministry of Business, Innovation and Employment prepares data on past trends in employment (measures i and ii, below) as well as forecasts of future occupational employment growth (measure iii). The fourth measure, forecast net replacement demand, refers to the expected level of demand to replace workers expected to retire from the occupation.

- i) **Annual average employment growth for Aeroplane Pilot in the past 5 years (2007-2012) is 4.6%.**
- ii) **Employment growth for Aeroplane Pilot in the last 12 months is 5.8%.**
- iii) **Employment forecast for Aeroplane Pilot**
From 2010 to 2015 expecting to grow by 2.4% per annum
From 2010 to 2020 expecting to grow by 2.0% per annum
- iv) **Forecast of net replacement demand**
From 2011 to 2016 demand due to retirement is 1.8%
From 2016 to 2021 demand due to retirement is 2.1%

Evidence of employment growth

- Strong evidence
- Moderate evidence
- Weak evidence
- Inconclusive information for reviewed occupation

Additional information/comment:

e. Additional shortage information

Data

To be included on the ISSL or the LTSSL, there must be evidence that the occupation is in skill shortage.

These two indicators provide additional context to the data above.

The first – length of training – indicates the time lag for training an individual and readiness to enter the occupation. The information is obtained through the New Zealand Qualifications Authority.

The second measure provides an indicator of demand from other countries. Both the United Kingdom and Australia release similar occupational skill shortage lists.

i) Training time required

At least two years' training time usually required to get a Commercial Pilot License.⁴ This includes at least 200 hours flying time and meeting other requirements (e.g. age and holding a New Zealand Private Pilot Licence).

ii) United Kingdom Shortage Occupation List or Australian Skill Shortage List⁵

This occupation is not on the United Kingdom List or the Australian List.

Overall evidence of shortage:

(This assessment takes into account the indicators listed above)

strong evidence of shortage

moderate evidence of shortage

weak evidence of shortage

inconclusive information for reviewed occupation

⁴ <http://www.careers.govt.nz/jobs/transport-logistics/aeroplane-pilot/how-to-enter-the-job>.

⁵ The United Kingdom Shortage Occupation List was published in April 2013 and the Australian Skill Shortage List was published in February 2013.